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City of Evanston

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**Exhibit A - Executive Summary
City of Evanston**

With a population of 78,000, the City of Evanston stretches four miles along Lake Michigan’s western shoreline just north of Chicago. Evanston is a highly dense, nearly built-out community, with few vacant parcels and no opportunity for large-scale annexation or land acquisition. Its 7.8 square miles include vibrant residential neighborhoods, thriving business districts, and varied recreational facilities and offerings. Interspersed throughout the community are over 290 acres of parks, including five public swimming beaches, athletic fields, and bicycling and jogging trails. Evanston is located 12 miles from downtown Chicago and provides access to a variety of jobs, excellent public transportation via Metra UP-North and the CTA Purple Line, and is highly walkable and bikeable. Evanston is home to Northwestern University, NorthShore University HealthSystem Evanston Hospital, Ascension Saint Francis Hospital, Rotary International headquarters, and two highly regarded school districts.

Despite Evanston’s significant location and amenities, housing production has been limited in part by the adoption of early land use controls and the first zoning code in Illinois in the 1920s. Evanston’s historic development patterns predate exclusionary zoning practices and these neighborhoods are inexorably linked with the City’s identity. They represent vibrant human-centered environments and a rich juxtaposition and diversity in residential densities, socio-economic strata, and housing choice that remain desirable but are not replicable under current land use controls. More restrictive zoning, including single units on large lots has resulted in housing demand that far outweighs the supply – creating significant affordability and displacement pressures and eroding the existing attainable housing stock and starter homes.

Generational Opportunity

In 2024, the City started a generational opportunity to develop a new Comprehensive Plan and Zoning Code and update its Inclusionary Housing Ordinance (IHO)—critical initiatives that will position Evanston to become more inclusive, more affordable, more resilient, and less economically and racially segregated. These efforts will advance the City’s goals and objectives around the creation of: sustainable, vibrant, and human-centered places—places that prioritize people, walkability, and alternative and mass transportation over cars; vibrant human experiences and attainable housing over parking—authentic, compatible, and varied architecture over commodified and isolating development patterns; and sustainable use of city-owned assets that provide publicly controlled, significant opportunity sites to develop lasting and meaningful housing, especially housing for low and moderate income (low/mod) households.

The new comprehensive plan and zoning code that embodies those goals are expected to be finalized and approved in 2025. The result will be: streamlined entitlement and permitting processes; land use regulations that encourage production of additional and diverse market-driven attainable housing; much-needed density to support our business districts, City services, public transit, and schools; and newly-created market rate development to contribute

more affordable units through our IHO. These anticipated changes to the City's zoning code are similar to those enacted by the City of Minneapolis starting in 2009. With those changes, between 2017 and 2022, the City of Minneapolis had significantly better outcomes than the rest of the state of Minnesota including: greater increase in housing production, essentially flat rents, and a decrease in homelessness.¹

However, becoming more affordable and resilient and less economically and racially segregated will not be accomplished through reformed land use regulation alone. To amplify these opportunities and expedite meaningful progress toward our affordable housing goals, the City has identified key remaining barriers that must be addressed and the associated strategies and activities that will provide transformative outcomes to strengthen Evanston and build a more vibrant and resilient community.

Building on A New Foundation

The City of Evanston has identified two significant barriers to affordable housing production and preservation and has proposed associated strategies to mitigate or remove them through this grant. First, limited available land coupled with the high cost of land hinders the City's ability to increase affordable housing production. To address this barrier, we propose expanding financial and staff capacity to strategically develop publicly-owned land for affordable housing development and encouraging the development of Accessory Dwelling Units for low/mod households. Second, so that the City does not lose ground as the need for affordable housing far exceeds the existing supply, the City will expand its preservation efforts by escalating its home rehabilitation program to serve more household and include energy-efficiency and resiliency, investing in shared equity models for long-term housing affordability, and increasing access to housing in higher income neighborhoods. These strategies will take advantage of the newly aligned comprehensive plan and zoning code where attainable housing is prioritized, density and housing variety are encouraged, and land use regulations and policies that reflect that.

Addressing these barriers through our proposed activities will provide opportunities for low/mod households to enjoy increased access to decent, suitable, and affordable housing. The activities directly fund the production of new, primarily affordable housing units, streamline and incentivize housing production, and expand opportunities to maintain the City's existing affordable housing stock. The City's location near jobs and public transit, history of progressive housing policies, and shared and determined vision for the future, combined with Evanston's community capital and political will, uniquely positions the City to leverage housing production and housing preservation strategies to have the most impact and to provide a significant and immediate return on this investment.

¹ [Minneapolis Land Use Reforms Offer a Blueprint for Housing Affordability](#). The Pew Charitable Trusts. January 4, 2024.

**Exhibit B - Threshold Requirements and Other Submission Requirements
City of Evanston**

Threshold Requirements

1. Resolution of Civil Rights Matters: The City does not have unresolved civil rights matters.
2. Timely Submission of Applications: This application shall be submitted before the deadline at 11:59:59 PM Eastern time on October 15, 2024.
3. Eligible Applicant: the City of Evanston is an eligible applicant as a city government, as listed under section III A.02 of the Notice of Funding Opportunity.
4. Number of Applications: The City of Evanston is submitting only one grant application.

Additional Eligibility and Requirements

- Limited English Proficiency (LEP): The City has a Language Access Policy to ensure that all City services are accessible to LEP residents.
- Physical Accessibility: All meetings held in person will be held in facilities that are physically accessible to persons with disabilities. Meetings will also be available through video conferencing for remote access when possible.
- Environmental Reviews: The City of Evanston will comply with applicable environmental requirements related to this grant.
- The City of Evanston will comply with all the eligibility requirements for applicants and recipients of HUD Financial Assistance Programs.
- Code of conduct: The City of Evanston will submit its latest version of its code of conduct to HUD.

Submission Requirements

- Application for Federal Assistance (Form SF-424): This form will be included in the application.
- Applicant and Recipient Assurances and Certifications (Form HUD 424-B): This form will be included in the application.
- Applicant and Recipient Assurances and Certifications (Form HUD 2880): This form will be included in the application.
- Disclosure of Lobbying Activities (SF-LLL): This form will be included in the application.
- Certification Regarding Lobbying: This certification will be included in this application.
- Federal Assistance Representations and Certifications: This form will be submitted via sam.gov.
- Grant Application Detailed Budget Worksheet (HUD-424-CBW): This form will be included in this application.

**Exhibit C - Need
City of Evanston**

i. DEMONSTRATE YOUR PROGRESS AND COMMITMENT TO OVERCOMING LOCAL BARRIERS TO FACILITATE THE INCREASE OF AFFORDABLE HOUSING PRODUCTION AND PRESERVATION, PRIMARILY BY HAVING ENACTED IMPROVED LAWS AND REGULATIONS

Especially in the past five years, the City of Evanston has implemented policies and programs to address the housing needs of low- and moderate-income residents by increasing the supply of and access to safe, decent, and affordable housing. The City’s past activities demonstrate Evanston is willing and able to advance progressive policies and initiatives to meet some of the most pressing challenges of our time. Innovative activities have recently been implemented to advance environmental and restorative justice. Through the work summarized below, the City of Evanston has striven to simultaneously increase affordability, preserve existing naturally occurring affordable housing, and expand anti-displacement measures.

a. Improved laws, regulations, or local land use local policies.

Envision Evanston 2045: New Comprehensive Plan & Zoning Code (2025)

Impact: Increased housing production—both affordable and market rate

Population: Citywide

Barrier: Restrictive Land Use Regulations

The City of Evanston’s current Comprehensive Plan, just a modest update to the 1972 Comprehensive Plan, was developed in 2000. The current Zoning Code was adopted even earlier, in 1993. For decades, the City of Evanston has been basing development decisions on an extremely outdated document and implementing a litany of asystematic, one-off zoning amendments. In 2021, Joining Forces for Affordable Housing, an Evanston-based housing advocacy organization, and ZoneCo found many ways Evanston’s Zoning Code contributes to social or economic inequity and/or increased housing costs.² Some specific issues identified in their report include: residential zoning districts that do not reflect the City’s housing goals; potentially non-inclusive language such as “character” often used to maintain exclusionary dynamics; excessive lot standards and setbacks; and a higher Council approval threshold if a minority (30%) of adjacent property owners oppose a project. These factors have discouraged housing development in the City despite the many amenities it offers.

Through Envision Evanston, the City is on track to adopt a new Comprehensive Plan and equitable Zoning Code in 2025. Revisions being contemplated include: streamlining the development approval process with more uses allowed by right; eliminating parking minimums to prioritize housing; creating mixed-use zones that allow increased residential density near transit hubs; reducing the number of zoning districts; and eliminating overlays and single-family zoning. Such actions would allow for more housing development—both affordable and

² [ZoneCo, Equity Zoning Diagnostic - Initial Observations, 11/2021](#)

market-rate—and reduce the time to review and approve a development to deliver much needed housing more quickly and reduce costs.

Legalized Production and Rental of Accessory Dwelling Units (2020)

Impact: 27 units permits issued

Annual Impact: 6 permits issued

Population: No income restrictions

Barrier: Restrictive Land Use Policies, Limited Land for Production

In 2020, the City amended its zoning code to allow the construction of one attached, detached, or internal accessory dwelling unit (ADU) per residential lot with no parking requirements. ADUs do not have affordability requirements but result in smaller units, particularly in high-cost, single-family neighborhoods. In partnership with the Evanston Development Cooperative, a local green construction co-op, the City developed a guidebook to help interested parties to understand the ADU code and navigate the permitting process. Nearly 30 permits have been issued for ADU construction in the last four years, but barriers still remain, including financing costs, particularly for detached ADUs, which makes it difficult particularly for low- to moderate-income households to afford to either construct or rent ADUs in Evanston.

Enacted and Updated Our Inclusionary Housing Ordinance (2007, 2016, 2019, 2024)

Impact: 131 unit equivalents produced

Annual Impact: 5 unit equivalents produced

Population: 50% - 120% AMI

Barrier: Limited Land and Resources for Affordable Housing Production

In 2007, the City of Evanston approved an Inclusionary Housing Ordinance (IHO) because the private market was not developing housing affordable to low- and moderate-income households. Initially the ordinance applied only to for-sale developments but was revised in 2016 to include rental development and condo deconversions as well. The current IHO, effective in 2019, requires qualifying residential developments to have 10% of units affordable for renters and buyers at 60% of AMI and 100% of AMI, respectively or pay a fee-in-lieu of \$179,310 - \$313,792 per unit to the Affordable Housing Fund discussed below.

The IHO and pre-IHO developer agreements have created 131 rental units—94 onsite and 37 off-site through in-lieu fees—affordable to households with incomes between 50% and 120% AMI in market-rate developments, providing affordable housing options in high opportunity areas. Ninety percent of those units are affordable to households earning no more than 80% AMI. The City is currently in the process of updating the IHO to increase the percent of affordable units and amount of in-lieu fees as well as allow for weighted average income requirements to offer a broader range of affordability. The updated IHO is scheduled to be approved by the end of 2024.

Figure C.1: Inclusionary Housing Units

IHO Version	Time Period	All Developments with IH Units ²				
		IH Units (#)	In-Lieu Fees (\$)	IH Unit Eq ³ (#)	IH Unit Eq (%)	Total Units (#)
Pre-IHO	2003	10	\$0	10	5.2%	193
2007 IHO	2007 - 2015	12	\$400,000	22	6.9%	321
2016 IHO	2016 - 2018	43	\$2,400,000	67	7.4%	909
2019 IHO	2019 - Present	29	\$525,000	32	9.7%	331
Total	2003 - Present	94	\$3,325,000	131	7.5%	1,754

¹ Includes units under construction and anticipated to be completed by 12/2024
² Includes units in covered and non-covered developments
³ The IH Unit Equivalent includes both IH units and the in-lieu fee unit equivalent

Enacted Efficiency Homes Code to Build Housing on Small, Non-Conforming Lots (2021)

Impact: 2 units under development

Annual Impact: TBD

Population: No income restrictions

Barrier: Restrictive Land Use Policies

To increase infill development and add density, the City amended its zoning code to allow the development of modest homes on small and irregular lots previously classified as unbuildable. Additionally, it reduces setback requirements that traditionally prioritize open space over housing production and density. Development of this code anticipates the creation of additional housing choice, offers the possibility of attainable homeownership in highly desirable locations, and creates opportunities for detached single-unit housing at attainable rents. The City has identified approximately 35 vacant or underutilized parcels less than 3,300 square feet in size that are buildable under the revised zoning and has seen interest by developers to advance these concepts. The first project currently under construction comprises two manufactured container homes sited on a 16.5’X 150’, 2,475 sq ft lot in a zoning district with a 7,200 sq ft lot requirement. The second development approved under the zoning amendment has 12 two-bedroom energy efficient homes and is scheduled to come to market in 2025 with an estimated sales price of \$350,000, providing homeownership options to middle-income buyers. However, barriers remain, including lack of site control and the high cost of financing, making success largely dependent on market conditions and consumer interest in non-traditional housing types.

Enacted Adaptive Use Code to Redevelop Existing Buildings for Housing (2023)

Impact: TBD

Annual Impact: TBD

Population: No income restrictions

Barrier: Restrictive Land Use Policies

An amendment to the Zoning Code in 2023 created flexibility in land use regulations to facilitate the reuse of both historic and non-historic properties, most commonly large buildings of assembly and institutional or industrial uses that have significant reuse potential as housing. The modifications remove common barriers to adaptive use, offset rehabilitation costs, and increase

overall project feasibility. Adaptive use is now an eligible special use in all zoning districts, and qualifying projects are not subject to off-street parking and loading requirements, or maximum residential density requirements.

Allowing flexibility in the adaptive use of existing structures achieves climate resilience goals through retention of embodied energy, diversion of landfill waste, and a reduction in carbon footprint associated with new construction. Adaptive use further achieves affordable housing production and subsidized rent structures made possible by combining state and federal Low-Income Housing Tax Credits (LIHTC) with state and federal Rehabilitation Credits – creating diverse housing typologies and uses that retain human-scaled built fabric associated with Evanston’s identity and its residents’ collective memories of place.

Expanded Sources for our Local Affordable Housing Fund (2006 to present)

Impact: 125 units produced, 150 units preserved, 100 households retained

Annual Impact: 7 units produced, 9 units preserved, 6 households retained

Population: 30% - 100% AMI

Barrier: Limited Resources for Affordable Housing Production

The Affordable Housing Fund (AHF) supports housing development and acquisition and rehab of housing for households with incomes at or below 100% AMI. Historically, revenue has been limited, \$200,000 - \$500,000 annually, from developer contributions for projects not covered by the IHO, fees-in-lieu of on-site inclusionary units, and housing demolition tax indexed to the CPI. However, a community benefits agreement with Northwestern University contributed \$1M in 2024 and will contribute at least \$1M indexed to the CPI annually in 2025 - 2038.

The AHF provides soft funding to leverage LIHTC for affordable housing production, contributes to acquisition and rehab projects, in conjunction with CDBG and HOME entitlement funds, and supports landlord-tenant services and management of the IHO centralized waitlist. Two major LIHTC developments supported by AHF include a 32-unit LIHTC project with 1-3 bedroom units and a 60-unit senior project with 1 and 2 bedroom units. Construction on two recently approved LIHTC projects, one with 33 units and the other with 60, is expected to begin in 2025.

b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation.

Identified Underutilized City Assets for Housing Development - Putting Assets to Work: Evanston, IL (2024)

Impact: TBD (initially up to 150 units of affordable housing)

Annual Impact: TBD

Population: up to 80% AMI (for affordable units)

Barrier: Limited Land for Affordable Housing Production

In 2024, the City of Evanston worked with a partnership of Common Ground Institute, Government Finance Officers Associations, and Urban3 to evaluate how the City could best leverage underutilized municipal assets to further its goals of growing the affordable housing supply and other critical uses. These assets include several City-owned parking lots (totaling almost 13 acres) located in all parts of the City and close to public transit as well as soon to be vacant buildings such as its Civic Center. The report recommendations include: designating a staff person to streamline intragovernmental and community partner collaboration and engage third-party professionals to evaluate market interest in those sites as well as manage requests for proposals or qualification processes. The City was recently awarded a \$985,000 Build America Innovative Finance and Asset Concession Grant to implement the report recommendations at three sites within one-half mile of two train stations.

Allocated American Rescue Plan Act Funds for the Green Homes Pilot Program (2024)

Impact: up to 50 units rehabbed

Annual Impact: up to 50 units

Population: up to 80% AMI

Barrier: Limited Resources for Preservation

The City, in partnership with Center for Neighborhood Technology and Elevate Energy, has launched the Green Home Pilot Program to renovate existing affordable housing stock, with a focus on energy-efficiency and resiliency and furthering the goals of its 2018 Climate Action and Resilience Plan. The pilot will offer up to \$20,000 to property owners to renovate homes in two census tracts—8092 and 8102—which are among the most vulnerable to climate change and gentrification. The pilot is expected to be completed by year-end 2025 with the goal of expanding the geography and scale of the program once the pilot is complete.

Partnered With A Community Land Trust to Develop and Maintain Affordable Units in Perpetuity (2012)

Impact: 9 units produced, 13 units preserved

Annual Impact: 1 unit produced, 1 unit preserved

Population: 50% - 120% AMI

Barrier: Limited Resources for Affordable Housing Production and Preservation

Since 2015, the City of Evanston has partnered with Community Partners for Affordable Housing (CPAH) and Evanston Township High School's (ETHS) Geometry in Construction course to develop nine permanently affordable homes for households with incomes at or below 120% AMI. The lots on which the homes sit are entered into CPAH's Land Trust and provide homeownership opportunities to households who cannot afford to buy in Evanston due to the high cost of housing. The City acquires and donates the land, ETHS constructs and CPAH sells the home to a qualifying household for a fraction of its assessed value.

Launched the First Reparations Program in the USA to Address Harms to Black Residents from Exclusionary Zoning (2019)

Impact: TBD

Annual Impact: TBD

Population: Qualified Black residents and descendants

Barrier: Restrictive Land Use Policy

The Restorative Housing Program acknowledges historical harms to Black residents from exclusionary City zoning policy between 1919 and 1969. Black residents during that time, and their direct descendants, are eligible for \$25,000 for down payment/closing cost assistance, home rehabilitation, mortgage assistance, or cash to address the wealth and opportunity gaps caused by the City's exclusionary zoning. The City committed \$10,000,000 funded by the 3% cannabis tax and Real Estate Transfer Tax and has distributed almost \$5,000,000 as of August 2024.

Allocated ARPA Funds for a Guaranteed Income Program to Address Economic Disparities (2022)

Impact: 150 households assisted in 1st Round

Annual Impact: TBD

Population: up to 50% AMI

Barrier: Limited Housing Access

The one-year pilot, developed in collaboration with Northwestern University, provided financial stability to income-eligible residents in three groups—18-24 year-olds, 62+ year-olds and undocumented residents—with \$500 monthly payments for a year. Rent, food, and clothing were the top three uses of funds. In the second year of the program, families with young children in census tract 8092 which was disparately impacted by COVID and has the lowest household income and life expectancy in the City are eligible for the program.

Allocated ARPA Funds for Rent Assistance to Prevent Displacement of Low-income Residents - Affordable Housing Subsidy and Affordable Refugee Housing (2024)

Impact: TBD

Annual Impact: as of August 2024 – 21 households, 50 people

Population: up to 80% AMI

Barrier: Limited Housing Access

Two of the seven winning projects in Evanston's inaugural Participatory Budgeting (PB) process, selected by 6,565 residents, among the highest participation rate of PB programs, will provide rent assistance and other supports for households who are unable to maintain stable housing. The Affordable Housing Subsidy and Affordable Refugee Housing programs will both be underway by year-end 2024.

The Affordable Housing Subsidy initiative and the Affordable Refugee Housing have \$810,000 and \$645,000 of ARPA funding respectively, to provide security deposits and rent assistance for

up to 12 months, and case management for low-income Evanston residents who are unstably housed. The Affordable Refugee Housing also provides legal support for Evanston residents seeking asylum, with refugee status, or grantees of Temporary Protected Status (TPS) to obtain legal housing. Both programs are being implemented by the City in collaboration with nonprofit partners to stabilize the lives of economically vulnerable households who are at risk of displacement from Evanston.

Effective Use of Department of Housing and Urban Development Entitlement Grants (2022 - 2024)

Impact: 60 units produced, 6 units preserved, 21 households retained

Annual Impact: 20 units produced, 2 units preserved, 7 households retained

Population: 30% - 80% AMI

Barriers: Limited Resources for Production and Preservation

The City receives Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funds to provide decent housing, a suitable living environment, and economic opportunities, primarily for low- and moderate-income households. They provide critical funding for multiple programs and projects:

HOME - From 2022 to 2024, eighteen families with school age children achieved housing stability with Tenant-Based Rental Assistance. In 2020, the City provided \$1.5M in gap funding with HOME and Affordable Housing Fund dollars for a 60-unit LIHTC senior development that was completed and occupied in 2022.

HOME-ARP – In 2022, funds were allocated for a non-congregate shelter and tenant-based rental assistance. Funds will be used to rehab a former hotel to provide approximately 66 shelter beds and rent assistance for people moving from the shelter permanent housing.

ESG - In 2023, the City provided support to a 48-room non-congregate shelter and a domestic violence shelter, street outreach to unhoused residents, and prevention case management and support for households at risk of homelessness. Evanston fell below the threshold for the ESG formula in 2024.

CDBG - In 2023, the City funded multiple capital improvement projects, home rehabilitations, and public services including alley paving to mitigate flooding and improving City services, sidewalk improvements, and lighting in public parks in Low/Moderate Income neighborhoods. The Housing Rehab program addresses life safety issues and code violations for lower income homeowners and renters. Funds also supported meals for homebound seniors and persons with disabilities, out-of-school programming for low-income families, services to support homeless persons and households at risk of homelessness, and services for people fleeing domestic violence.

Assessment of Needs and Inequities - EPLAN: Evanston Project for the Local Assessment of Needs (2022 - 2026)

Impact: TBD

Annual Impact: TBD

Population: up to 80% AMI

The 2022 EPLAN, a 5-year strategic plan developed by the City's state-certified health department, prioritizes upstream social, systemic, and structural factors that impact health and wellbeing, such as access to safe and affordable housing, living wages, high-quality, affordable childcare and access to healthy foods.

The EPLAN identified a clear and consistent pattern of racial and neighborhood-level inequity. While Evanston's city-level data indicates a high level of health and wellbeing, there are clear geographic patterns of concentrated health, wealth, and advantage, as well as concentrated disadvantage, disinvestment, and poor health.

ii. DO YOU HAVE ACUTE DEMAND FOR AFFORDABLE HOUSING? WHAT ARE YOUR REMAINING AFFORDABLE HOUSING NEEDS AND HOW DO YOU KNOW?

The proposed activities in this application will exclusively serve the City of Evanston, a priority geography as determined by HUD's PRO Housing Priority Geography threshold calculations based on having widespread housing cost burden or substandard housing for households with income below 100% of area median income. As a highly desirable community, Evanston has a strong housing market, leading to rising rents, significant cost burden, and constant displacement pressure. New rental housing has not kept up with demand and, other than affordable units created by the Inclusionary Housing Ordinance, most new rental units are unaffordable to low- and moderate-income households. These market forces continue to challenge the City's ability to maintain its historic character as a racially and economically diverse community.

Housing Cost Burden

Although Evanston's median income (\$87,345) is greater than Cook County (\$72,121) and the United States (\$69,021), its share of cost burdened renter households is higher at 47.4% compared to 44.8% and 46.0%, respectively.³ Housing cost burden is even more pervasive among low- and moderate-income households.

Though an Evanston household earning the 2023 HUD 100% AMI for Cook County, \$88,300 for a two-person household, can afford Evanston's median monthly rent (\$1,526), this masks the housing cost burden of low- and moderate-income households.⁴ Over 68% of Evanston renter households earning <\$75,000 and over 60% of homeowner households earning <\$75,000 are

³ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (S1903, B25070)

⁴ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (B25064, S1903)

housing cost burdened.⁵ These housing cost burdens disproportionately impact people of color, whose median incomes are well below the citywide median, and are even more acute for households earning at or below 30% and 60% of AMI.

Figure C.2: Median Household Income by Race and Ethnicity⁶

Race and Ethnicity	Total	Black or African American	Asian	Hispanic or Latino, of any race	White, Non-Hispanic
Median Income	\$87,345	\$55,292	\$67,628	\$69,396	\$108,176

And with a median home value of \$410,600, and less than 15% of owner-occupied units valued at or below \$200,000, it is particularly difficult for a low- or moderate-income household to purchase a home within Evanston.⁷ Based on recent interest rates, a 20% down payment (no PMI), no HOA fees, and average Cook County property taxes, purchasing the median Evanston home requires \$3,417 a month for PITI payments, affordable only to households earning over \$137,000.⁸

Displacement Pressures

Since the onset of the COVID-19 pandemic, Evanston rents have dramatically increased. From 2015 - 2020, rents increased 2.6 - 6.2% annually, but from 2021 - 2023, rents have increased 5.1 - 11.8%, leading to increased evictions, lease non-renewals, and homelessness, especially after the eviction moratorium ended in Illinois in October 2021.⁹

According to Connections for the Homeless, an Evanston-based nonprofit agency, as of October 2023, 150+ households remain waitlisted for Emergency Rental Assistance. In the first half of 2023, 32 evictions and 39 early lease terminations were reported to the City's Landlord-Tenant Hotline, on target to equal 2022 year-end totals. Additionally, Evanston's three emergency shelters served 44% more people by September 2023 than in all of 2022.

Given the lower household incomes of Black, Asian, and Latino households, these pressures are more likely to impact households of color leading to increased segregation and/or less diversity in Evanston.

Housing Stock

⁵ Policy Map, U.S. Census, 2017-2021 American Community Survey 5-Year Estimates

⁶ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (S1903)

⁷ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (DP04)

⁸ Fannie Mae Mortgage Calculator, [fanniemae.gov](https://www.fanniemae.com)

⁹ Zillow, ZORI (Smoothed) ALI Homes Plus Multifamily Time Series (\$), 09/2023

About 37% of Evanston’s housing stock are attached and detached single-family homes with 38% in multi-family buildings of 10 or more units. The remaining 25% of units are in 2-9 unit residential buildings. Over 50% of housing units were built before 1950 and the current zoning code makes it difficult to build housing typologies such as three-flats that are affordable to low- and moderate-income households.¹⁰ Meanwhile, Evanston’s aging housing stock is expensive to maintain and rehabilitate to age-in-place for low- and moderate-income residents.

As one of Cook County’s most transit rich, economically prosperous, and vibrant places to live, work, and play, Evanston’s rising housing costs and displacement pressures will not subside on their own. Strategic and sustained initiatives are needed to address this crisis that disproportionately impacts Evanston’s low- to moderate-income families and people of color.

iii. WHAT KEY BARRIERS STILL EXIST AND NEED TO BE ADDRESSED TO PRODUCE AND PRESERVE MORE AFFORDABLE HOUSING?

Despite its higher median income, Evanston has a larger share of housing cost burdened households than Cook County and the United States, indicating a severe shortage of affordable housing. Given the lower incomes of Black, Asian, and Latino households, this shortage disparately impacts households of color, leading to increased segregation and/or loss of Evanston’s diversity through displacement and gentrification.

The City’s new Comprehensive Plan and Zoning Code are due to be adopted in 2025; its less restrictive land use regulations and streamlined processes will enable the City to accelerate the production of new affordable housing to help reduce the gap between the need and availability of affordable housing. Even with these anticipated new land use regulations and policies, the land for development is extremely limited and very expensive which still poses a barrier for affordable housing production. Furthermore, expanding the City’s preservation and anti-displacement efforts is just as critical so that any new affordable units are not simply making up for units that have been lost. Also tied to preservation and anti-displacement efforts is the limited capacity of City staff and nonprofit partners to expand this work given current resources.

Based on stakeholder feedback, public participation, data analysis, program evaluation, racial and economic equity, and return on investment, the City of Evanston has identified two key barriers to housing production, preservation of existing affordable housing, and anti-displacement efforts.

Barrier 1: Limited Land for New Affordable Housing Production

Barrier 2: Limited Resources for Preservation and Anti-Displacement

¹⁰ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (DP04)

Barrier 1: Limited Land to Increase Affordable Housing Production**Impact: Insufficient amount of affordable housing**

In 2024, the City of Evanston worked with a partnership of Common Ground Institute, Government Finance Officers Associations, and Urban3 to evaluate how the City could best leverage underutilized municipal assets to further its goals of increased affordable housing supply and other critical uses. These assets include several City-owned parking lots (totaling almost 13 acres) located throughout the City and within close proximity of public transit as well as soon to be vacant buildings such as its Civic Center. The report recommendations include designating a staff person to streamline intragovernmental and community partner collaboration and engaging third-party professionals to evaluate market interest in those sites as well as manage requests for proposals or qualification processes. Without additional resources for planning, professional expertise, and predevelopment and due diligence costs, the City will not be able to leverage the land it owns to facilitate opportunities for new housing and meet the needs of its low- and moderate-income residents.

Since the City passed the accessory dwelling unit (ADU) ordinance in 2021, ADU construction and production has increased substantially but units have largely been built or planned in Evanston's the more affluent neighborhoods. Without financial incentives, it is difficult for low- to moderate-income households to construct ADUs to generate rental income to cover significant increases in housing expenses such as property taxes and insurance. Furthermore, incentives could motivate development of ADUs in higher income areas, increase housing choice and reduce segregation, if rented at affordable rates to households with incomes less than 80% AMI.

Barrier 2: Limited Resources for Preservation and Anti-Displacement**Impact: Increased housing instability and displacement, loss of Black households**

The City has initiated and administered several anti-displacement and supportive housing programs that are worthy of additional funding and increases in scope and capacity due to their demonstrated success. These include homeowner assistance in the form of mortgage assistance and housing rehabilitation using zero interest deferred loans to maintain generational wealth for vulnerable populations. However, a common barrier to expanding existing successful programs, and exploring the creation of new programs, are funding and the lack of additional staff capacity for program delivery, administration and oversight and for community outreach efforts to engage eligible residents.

Evanston currently has different housing rehabilitation programs, each with their own funding requirements and parameters that are implemented by different departments or non-profit partners. The City's CDBG-funded Housing Rehabilitation Program provides below market rate

financing for home rehab to low- to moderate-income households and owners of rental property occupied by low- to moderate-income homeowners and for rental properties occupied by low- to moderate-income households. However, due to funding constraints, there is a waitlist that the City is currently unable to serve. The City recently launched the Green Homes pilot which prioritizes energy-efficient and sustainability features which cannot be undertaken due to aging housing until additional work such as structural reinforcement or upgraded electrical systems has been completed. While the City welcomes a wide range of resources to fund critical home repairs, there is a need to better coordinate the programs and funding to more efficiently and comprehensively serve program participants. The City has contemplated establishing a one-stop shop to make it easier and more efficient for property owners to access the right combination of resources to rehab and improve the efficiency of their properties. The primary challenges to accomplishing this are staffing capacity and lack of awareness of other models that effectively streamline multiple home rehab programs under one umbrella.

Evanston is also at risk of losing existing affordable housing. One example is the scattered-site rental properties rehabbed and developed through the NSP2 program to address the foreclosure crisis of the late 2000s. The affordability restrictions for those 44 rental units start expiring in 2026 with the last one set to expire in 2030. In order to maintain those units as affordable for existing households and create long-term affordability, the City is seeking to acquire the rental properties, place them in the land trust operated by CPAH, and, where feasible, convert smaller multifamily properties into limited equity cooperatives. Funding for the acquisition, capacity building for the land trust, and training for resident owners will be necessary to preserve these units.

Lastly, housing providers' perceived risk of renting to tenants with Housing Choice Voucher (HCV) holders and other rental subsidies, lower credit scores, and lower rent-to-income ratios creates displacement pressure and decreases choice and access to quality affordable housing in higher-income neighborhoods. Facilitating access housing in higher-income parts of the City for HCV holders and recipients of other tenant-based rental subsidies is also important to addressing equitable access to housing throughout the City. While the Housing Choice Voucher program is intended to allow voucher holders more choice in where they can afford to live, obstacles remain to achieving this goal. Although discriminating based on source of income is prohibited and HUD small area fair market rents (SAFMRs) allow rents that are more competitive by zip code, landlords are still hesitant to rent voucher holders. The result is that voucher households either go to lower-income Evanston neighborhoods reinforcing segregation or they are forced to live elsewhere.

**Exhibit D - Soundness of Approach
City of Evanston**

i. WHAT IS YOUR VISION?

Building on the City's existing housing programs and propelled by the streamlined processes of the new comprehensive plan and zoning code, the PRO Housing award will enable Evanston to create new affordable housing and maintain and expand existing affordable housing while furthering progressive housing-forward policies and initiatives.

Highlights will include city-owned assets successfully redeveloped as iconic affordable housing, a comprehensive housing rehabilitation program that includes sustainability and climate resiliency as necessary, and increased accessory dwelling unit (ADU) production. The City regularly partners with nonprofit community organizations, centers most-impacted community members, and solicits feedback early and often.

These efforts will have meaningfully increased housing preservation and production, stabilized low- to moderate-income households and maintained the economic and racial diversity that defines Evanston and makes it such an attractive community. With the PRO Housing award, the City will undertake the following activities to advance its housing goals during the grant period:

- Establish a model process that incorporates robust community input to ensure that the disposition of City property effectively furthers its housing goals by creating 150 new units of affordable housing
- Create a One-Stop Shop for home rehabilitation programs that provides comprehensive rehabilitation services that brings properties to minimum code requirements and standards while addressing sustainability and resiliency goals outlined in the City's Climate Action and Resilience Plan (CARP)
- Create opportunities for wealth creation for low- and moderate-income households while maintaining long-term housing affordability
- Increase access to quality affordable housing for households earning up to 80% AMI
- Build capacity of City staff and community-based organizations to deliver expanded programming

Although Evanston, as a Great Lakes city, is relatively insulated from threats such as hurricanes, sea level rise and wildfires, it is not insulated from increasingly intense storms, the influx of invasive species, hotter temperatures, drought-like conditions, human migration, threats to water quality and the relative instability of energy prices. Vulnerable communities and individuals will experience disproportionately negative impacts from climate change in the coming years and decades. Through the proposed PRO Housing activities, the City has several opportunities to advance the mitigation and resiliency goals in CARP including prioritizing more sustainable infrastructure and native landscaping for the redevelopment of City-owned land and expanding its home rehab program to support reduced energy consumption.

Proposed Activities

Strategy 1: Fund Production Programs Barrier 1: Limited Land for New Affordable Housing Production	
Activity 1.1	Putting Assets to Work Implementation (City-owned land)
Activity 1.2	Accessory Dwelling Unit (ADU) Financing and Technical Assistance
Strategy 2: Expand Preservations Efforts Barrier 2: Limited Resources for Preservation + Anti-Displacement	
Activity 2.1	One-Stop Shop for Home Rehabilitation Programs
Activity 2.2	Preservation of At-Risk Affordable Housing through Acquisition and Shared Equity Models
Activity 2.3	Housing Provider Mitigation Fund

Strategy 1: Fund Production Programs Barrier 1: Limited Land to Increase Affordable Housing Production

Activity 1.1 Putting Assets to Work Implementation (City-owned land)		
Initial Benefit Year: 2028	Impact: 150 units of affordable housing	Population (AMI): up to 100% AMI

The Putting Assets to Work (PAW) report completed earlier this year examined how best the City of Evanston can use its publicly-owned property to advance its goals including increased housing choice, affordable housing production, and revenue generation. The first report recommendation is selecting three to five sites that could be developed as affordable housing and/or mixed-income housing. Initial proposed sites are located near the Noyes and Foster stations on the Purple Line of the Chicago Transit Authority’s “L” system which is consistent with the City’s Climate Action and Resilience Plan (CARP) of reducing vehicle miles traveled and increasing trips made by walking, bicycling, and transit. Work under this activity will also include developing innovative finance and delivery options. In order to implement the PAW report, the City will take the following steps:

- *Opportunity Site Prioritization:* Identifying which City-owned sites to prioritize for affordable housing as well as identifying privately-owned sites that could complement these efforts through strategic assemblage. The City will perform a data-driven analysis, ranking opportunity sites by their ability to catalyze significant housing production. Factors will include zoning, potential units, transit access, walkability, nearby amenities,

site control, and infrastructure needs. This will enable the City to prioritize capital improvements, act nimbly when opportunities arise, and develop an intentional plan for opportunity site acquisition and affordable housing development.

- *Opportunity Site Development Scenarios:* An accompanying resource will provide housing development scenarios and massing studies for opportunity sites. These scenarios and renderings will be used to gather input in community conversations to inform and guide marketing of the sites to potential development partners. These scenarios will take into consideration how to maximize a site's housing potential while remaining contextual with surrounding development patterns. The scenarios will be specific enough to be impactful and general enough to be used in various neighborhoods and for future opportunity site conversations.
- *Opportunity Site Marketing and Affordable Housing Development:* The City will prepare a Request for Expression of Interest (REI) for opportunity sites with significant housing development potential. REIs will include site conditions, affordability requirements and a list of key considerations and request letters of interest, with proposed uses, potential partners, funding sources and preliminary plans. The City will also encourage partnerships so that the City enjoys revenue beyond the potential land sale to be reinvested into affordable housing, such as joint ventures and/or long-term lease payments and more cost-effective means of construction such as modular and container construction where appropriate. Priority will be given to projects that pursue green building standards. This City-led process will lead to greater community support, strategic actions based on City Council goals, increased interest in opportunity sites, creative partnership opportunities, and ultimately housing production primarily for low- and moderate-income households.

Community engagement will happen at all stages of the process through a variety of forums including neighborhood meetings, block parties, and youth sports events, meeting residents where they are, rather than expecting them to attend meetings at Evanston's Civic Center. Though there are still some misconceptions about affordable housing, the City expects that proactive, not reactionary, public engagement will help mitigate that sentiment.

With the new comprehensive plan and zoning code through Envision Evanston, the City will be poised to increase its affordable housing stock through a process that encourages, rather than hinders, development in a more efficient manner. The City also recognizes that affordable housing developments require multiple highly-competitive public funding sources. The City will work collaboratively with developers and state and county agencies to advocate for selected projects. The report recommends hiring at least 0.5 full time employee to carry out this initiative in addition to engaging external expertise.

Evidence for Proposed Approach: The City undertook a similar process by soliciting proposals for a City-owned site (combined with adjacent site owned by the Housing Authority of Cook County) in South Evanston in 2021. The selected project, which will have 60 units all affordable to households earning 80% AMI or below, plans to start construction in 2025. In 2022, the City also acquired a site at Jackson Avenue and Emerson Street in the City’s Fifth Ward. The City’s intent is to conduct a public process to get input from the community on a redevelopment plan that will deliver a high-quality and well-designed project that achieves the City’s affordable housing and Climate Action Resilience Plan goals.

This City-led community engagement process for the development of City-owned land is similar to the District of Columbia’s OurRFP initiative. Through this initiative, the District ensures that the public’s priorities and concerns are reflected and considered as requests for proposals are prepared so that potential developers incorporate those into their responses. The District has used this approach for seven publicly-owned sites to date. So far, almost 900 housing units, 540 of which are affordable, along with commercial with another 800 units in the pipeline and one parcel still in the RFP process.

Activity 1.2 Accessory Dwelling Unit (ADU) Financing and Technical Assistance		
Initial Benefit Year: 2026	Impact: 25 ADUs produced serving low/mod households	Population (AMI): up to 80% of 120%

Since 2021, 27 ADUs have been permitted and nine constructed primarily in higher-income Evanston neighborhoods. ADUs are a particularly effective way of developing gentle density in a community where land is limited and high cost. While this is a promising increase in smaller housing units, there is little evidence that these units are affordable to low- to moderate-income households. The City, in collaboration with the Evanston Development Cooperative and support from an AARP Community Challenge grant, developed an online ADU guide to help homeowners understand what ADUs are, their benefits, and how to navigate the process of financing and building one.

To build on this work and increase the development of ADU development overall as well as the share that serve low- and moderate-income households, the City will develop an ADU financing program paired with technical assistance for property owners. This program will have two primary approaches—both providing forgivable or deferred loans to property owners.

- **ADU Development in Low- to Moderate-Income Neighborhoods:** In low- to moderate-income areas, ADUs are an untapped housing preservation and production tool. ADU development can provide a new revenue stream for low- to moderate-income homeowners that can cover rising housing costs or be reinvested into their homes to help

them age in place. It can also increase housing diversity in low- to moderate-income neighborhoods. To facilitate this, the City will establish a forgivable loan program for income-qualified homeowners up to 120% AMI to assist with ADU design and construction. The resulting ADUs will have no income restrictions.

- **ADU Development in High-Income Neighborhoods:** In high-income neighborhoods, ADUs are an opportunity to provide affordable homes to low- to moderate-income households in areas where smaller, affordable units are not traditionally available. To facilitate this, the City will establish a forgivable or deferred loan program to homeowners who commit to a minimum period of rental affordability, limited to low- and moderate-income tenants at or below 80% AMI.

Through this activity, the City will also provide additional resources to guide first-time housing providers through the rental process, including tenant income certification and screening, as well as access to the City’s centralized affordable housing waitlist. The City will also publicize the recent HUD policy change allowing lenders to count income from ADUs during mortgage underwriting. The City expects that this ADU financing and technical assistance program will be implemented by one of its nonprofit partners.

Evidence for Proposed Approach: ULI Chicago conducted a Technical Assistance Panel for the City of Chicago and published the corresponding report in May 2020.¹¹ Many of the recommendations in the report focused on land use, building code, and process impediments to ADU development, many of which the City of Evanston has already addressed. However, one the report’s recommendations focused on expanding financing options for property owners since there are currently few options beyond cash or home equity available to finance ADU construction, which is particularly challenging for low- to moderate-income households. A City ADU-financing program along with partnerships with local financial institutions would significantly advance the creation of additional ADUs.

Strategy 2: Expand Preservation Efforts
Barrier 2: Limited Resources for Preservation and Anti-Displacement

Activity 2.1: Create One-Stop Shop for Home Rehabilitation Programs		
Initial Benefit Year: 2026	Impact: 50 homes rehabbed	Population (AMI): up to 80% AMI

With the PRO Housing grant, the City will create a central one-stop shop for its various home rehabilitation programs that provides comprehensive rehabilitation services that bring properties

¹¹ [Unlocking Accessory Dwelling Units in Chicago](#), ULI Chicago, May 2020.

to code requirements and standards and address sustainability and resiliency goals outlined in the City's Climate Action Plan. The One-Stop Shop will serve individual homeowners as well as the owners of small rental properties and allow the City to provide the right combination of resources tailored to the property owners' needs to rehab and improve the efficiency of their properties. The result for the property owner will be a more streamlined process that covers the appropriate scope upfront and reduces their compliance burden. Another expected outcome is preventing displacement and slowing gentrification by assisting low- and moderate-income households to maintain their homes and build wealth and reduces opportunities for large-scale investors to buy them out.

One of the City's rehab programs is funded with CDBG dollars and provides affordable rehab financing for low- to moderate-income homeowners, and owners of rental property occupied by low- to moderate-income households. This program brings substandard housing up to code and makes life-safety repairs that enable families to afford to remain in their homes, reducing the likelihood of displacement from high pressure by developers seeking to purchase and demolish modest homes and build high-end housing.

The recent Green Homes Pilot program, currently managed by Center for Neighborhood Technology, is designed to help residents in their homes and lower utility bills. Though the pilot is in its early phases, the need for additional staffing capacity is apparent, especially beyond the pilot phase. Other rehab programs managed by the City include the Restorative Housing Program and lead abatement. There are also other resources available such as CEDA's weatherization and ComEd's energy efficiency program that the One-Stop Shop would be able to refer property owners to. As part of this activity, the City would build internal capacity and identify one or more external partners to establish and grow the One-Stop Shop and bring all of the City's rehab programs under one umbrella as well as serve as a referral point for non-City managed programs.

Evidence for Proposed Approach: As part of its review of 113 home repair programs in 100 cities across the country, Harvard's Joint Center for Housing Studies noted that home repair programs are essential in providing critical improvements to homes that are either inadequate or substandard as lower-income homeowners are less likely to make home repairs than higher-income households.¹² The report also noted that the majority of home repairs were electric, mechanical, plumbing or structural—many of which are tied to energy-efficiency and resiliency and impact a home's long-term affordability. Home repairs also have important health impacts improving residents' both physical and mental health outcomes which is of particular concern in Evanston's census tract 8092 which has the lowest life expectancy in the City.¹³

¹² [Home Repair Programs Serve Critical Needs for Low-Income and Vulnerable Homeowners](#), Harvard Joint Center for Housing Studies, 2022.

¹³ Ellen Divringi, [Why Organizations Should Invest in Home Repairs to Improve Health](#), Shelterforce, 2020.

Activity 2.2: Preservation of At-Risk Affordable Housing through Acquisition and Shared Equity Models		
Initial Benefit Year: 2026	Impact: 50 units preserved	Population (AMI): up to 80% AMI and up to 120% AMI

Most notably, under this activity, the City would acquire the 44 NSP2 scattered site rental units, ranging from single-family homes to 5-unit buildings, that have affordability restrictions set to expire between 2026 and 2030. Another potential preservation opportunity is Oaktree Village , a 30-unit townhome development with a HUD HAP contract that expires in 2030. Oaktree Village provides large family units in census tract 8092, a historically redlined area, where a new elementary school is planned. This census tract has the most affordable housing in Evanston and is gentrifying. The City will work to identify similar preservation opportunities.

The City has worked with Community Partners for Affordable Housing (CPAH) to provide permanently affordable housing through its Community Land Trust (CLT) Program. Once at-risk properties are acquired, the City would then place them into the land trust and, where feasible, provide ownership opportunities to existing tenants using resale restrictions and/or assisting residents in establishing limited-equity cooperatives. As the City seeks to expand its affordable housing production and preservation efforts, expanding the capacity of the CLT model will be a critical tool to create housing with affordability restrictions that go beyond the 15-30 year affordability period seen with LIHTC and other publicly-funded affordable housing.

To advance this work, in addition to CPAH, the City will engage organizations such as Evanston-based Reba Place Development Corporation, which developed a 12-unit limited equity cooperative, the Chicago region’s Center for Shared Ownership, and New York based UHAB to work with tenants to maintain the affordability of their homes and potentially build wealth by allowing tenants to realize some equity in their homes.

Evidence for Proposed Approach: In 2020, the Los Angeles County Board of Supervisors launched a pilot program with established CLTs to acquire, rehabilitate, and preserve multifamily housing with the goal of establishing long-term affordable housing. With a \$14 million investment the program was able to preserve eight residential properties with 43 units serving 110 individuals, who were almost all Black, Indigenous and people of color.¹⁴ More generally, buyers of shared equity homes have been found to have smaller mortgages and lower monthly payments on all credit accounts than similar purchasers who buy their homes through

¹⁴ [Preventing Tenant Displacement through Community Ownership Pathways: The Los Angeles County Community Land Trust Partnership Program](#), October 2022.

non-shared-equity models.¹⁵ In addition, with the cost of new construction affordable housing ranging \$500,000-800,000 per unit in the Chicago area, investing in preservation efforts that create long-term affordability must also be prioritized.¹⁶

Activity 2.3: Housing Provider Mitigation Fund		
Initial Benefit Year: 2026	Impact: 50 households retained	Population (AMI): Below 80% AMI

To reduce the perceived risk of renting to households with tenant-based rental subsidies and/or lower credit scores or lower rent-to-income ratios, the City will establish a housing provider mitigation fund that would cover housing providers’ costs associated with damages, rent nonpayment, and non-typical operational costs. The goal is to reduce barriers that prospective tenants face in accessing quality housing, particularly in areas with less affordable housing, and increase stability for low-income households. Elements of the fund will include a program handbook, housing provider and tenant eligibility criteria, housing provider recruitment, development of a lease rider, a claims process for housing providers seeking reimbursements for tenants’ costs, and as-needed technical support. This program will be implemented by a nonprofit partner.

Initially, the City will prioritize participants of the Affordable Housing Subsidy and Affordable Refugee Housing programs launched this year for the Housing Provider Mitigation Fund which will allow participants to have increased housing choice. To ensure that housing providers are aware of the program, the City plans on working proactively with community partners, social service organizations, and others to make sure information about the program is accessible.

Evidence for Proposed Approach: According to the US Interagency Council on Homelessness, several communities across the country have established similar risk mitigation funds to help combat the combination of low vacancy rates and high rents. Lessons learned from communities such as Orlando, FL, Seattle, WA, Portland, OR, and Denver, CO include: the importance of treating housing providers as allies; active program marketing and recruitment through community partners; and establishing a rolling fund in the event that allocated funding is not spent in full each year. Most communities noted that no to few claims were actually filed but knowing that a fund was available if needed was sufficient incentive for housing providers.¹⁷ All programs were staffed by a not-for-profit partner.

¹⁵ [Affordable Homeownership: An Evaluation of the Near-Term Effects of Shared Equity Programs](#). Housing Policy Debate, Volume, 29, 2019, Issue 6.

¹⁶ [The High Cost of Creating Affordable Housing](#). Crain’s Chicago, January 16, 2024.

¹⁷ [Engaging Landlords: Risk Mitigation Funds Community Profiles](#), United states Interagency Council of Homelessness, April 2016.

ii. WHAT IS YOUR GEOGRAPHIC SCOPE?

As a HUD-designated priority geography, the proposed activities will occur throughout the City of Evanston to the benefit of low- and moderate-income households, while providing widespread positive impact. While the City of Evanston will not limit activities to certain neighborhoods or target activities in particular census tracts, we recognize that residents' needs vary greatly by geography within Evanston.

High-income neighborhoods, including those near Evanston's ten Metra and CTA stations, provide access to jobs throughout the region and vibrant business districts with walkable amenities including grocery stores, pharmacies, entertainment and shopping, parks and open space, and miles of beaches along Lake Michigan. These neighborhoods contain few housing options for low- and moderate-income households. Increasing affordable housing production in high-income neighborhoods is a critical strategy to providing housing choice and fostering racial and economic diversity. Specific activities that will be prioritized in the City's high-income areas include: development opportunities on City-owned land; incentives for affordable ADUs; and the Housing Provider Mitigation Fund.

Low- and moderate-income neighborhoods, including those impacted by decades of restrictive zoning policies, have historically received significantly less private and public investment. While generally less proximate to Evanston's Metra and CTA stations, these neighborhoods also contain significant amenities including grocery stores, pharmacies, shopping, schools, and parks and open space. These areas simultaneously have significant infrastructure and capital improvement needs and are at risk of gentrification and displacement. Housing preservation and anti-displacement programs are essential strategies to maintain naturally occurring affordable housing (NOAH), protect against the displacement of low- and moderate-income households, and build on the community's current assets. Specific activities that will be prioritized in the City's low-to moderate income areas include: expanded rehab program; subsidies for ADU construction; and investment in shared equity models.

iii. WHO ARE YOUR KEY STAKEHOLDERS? HOW ARE YOU ENGAGING THEM?

In recent years, the City's engagement efforts have repeatedly identified affordable housing as a major barrier to quality of life in Evanston. Recent initiatives include the Fair Housing Plan (2019), 1st PRO Housing Local Assessment of Needs (2023), the City's Participatory Budgeting campaign (2023), Envision Evanston 2045 (2024) and 2025-29 Comprehensive Plan (2024). In 2023, the City also implemented a rapid stakeholder engagement strategy. The City invited 100+ local and regional stakeholders to discuss their barriers and recommended strategies to address them and provided stakeholders with a publicity kit, including multi-lingual fliers, sample newsletter and social language, and links to the many opportunities for feedback. These partnerships, especially affordable housing owners and managers, enabled the City to meet people where they were and receive feedback more representative of Evanston's population.

A key component of these efforts were partnerships with community organizations to amplify the voices of community members who often go unheard, canvassing public events and hosting roundtables. Given these meaningful and recent community touchpoints, the City incorporated this feedback early in the development of this application.

Public Participation Strategy

Participation by the public was paramount to our proposal to remove barriers to affordable housing. As mentioned above, a primary method was partnerships with community organizations. In 2023, the City of Evanston created a PRO Housing webpage focused on soliciting public feedback. The website includes background info on the grant opportunity, the City's draft strategy, an executive summary, the draft application, resource links, and, during the public comment period, multiple opportunities to provide feedback:

- Daytime Open House (in-person and virtual)
- Evening Open House (in-person and virtual)
- Feedback Form (digital and print)
- Email

PRO Housing publicity included a press release, multiple city newsletters, ward newsletters, fliers at local businesses, and articles in local newspapers. Even though the FY 23 PRO Housing grant necessitated an accelerated timeline, over 200 community members participated in PRO Housing conversations, resulting in 177 public comments.

Given the even more accelerated timeline for this round, the City's FY24 PRO Housing application builds on that robust public engagement and expands the PRO Housing webpage with the draft 2024 application, a feedback form, the public hearing held on October 7, 2024, and the 15-day public comment period that ran from September 25 through October 10, 2024.

Ninety-four people provided responses to the feedback form during the public comment period. Results are summarized below:

- 64% agreed or strongly agreed that the City should address the key barriers of limited land for new affordable housing and limited resources for preservation and anti-displacement
- 66% agreed or strongly agreed that the City should prioritize funding housing production programs and expanding housing preservation efforts
- Of the proposed activities, assisting ADU development, using public land for affordable housing and reducing barriers for tenants with lower credit scores and rent-to-income ratios had the most support. (There was strong support for all proposed activities.)

Some of the comments provided include:

- Work with non-profits with strong track records of affordable housing development
- Develop an affordable housing trust
- Build more affordable housing
- More renter protections to reduce displacement
- Specific initiatives for seniors, disabled, and undocumented residents
- High cost of housing and property taxes
- Importance of incorporating sustainability into housing
- Lack of interest in any more affordable housing in the City

Open Communities, a fair housing and housing counseling agency serving the North and Northwest suburbs of Chicago also provided comments recommending developing affordable housing in high opportunity areas to avoid exacerbating segregation, progressive zoning reform and housing policy, partnerships with community land trusts, and civil rights protection.

Detailed public comment can be found in Attachment A.

Continued Outreach

The City of Evanston will maintain the PRO Housing Grant webpage for the duration of the grant cycle and continue to provide opportunities for collaboration and feedback on our strategies and activities to eliminate barriers to affordable housing production and preservation.

iv. HOW DOES YOUR PROPOSAL ALIGN WITH REQUIREMENTS TO AFFIRMATIVELY FURTHER FAIR HOUSING?

The City of Evanston is committed to affirmatively furthering fair housing by addressing historic inequities, considering lived experience, promptly responding to community feedback and developing measurable practices to increase fair housing. Evanston's economic and racial diversity is core to our culture and history. Despite this, there is a clear and consistent pattern of racial and geographic inequity in Evanston. While much of Evanston's city-level data indicates a high level of health, this is not experienced evenly throughout the community.

Specifically, proposed activities such as utilizing City-owned land near transit for affordable housing, creating incentives for property owners in high-income areas to construct affordable ADUs, and the housing provider mitigation fund will increase access for underserved groups in these areas while minimizing further goals of desegregation. In lower-income areas, where much of the City's affordable housing is located, activities under this grant will be focused on preservation and minimizing displacement through the expanded home rehab program, permanent affordability and wealth creation through shared equity models, and support for ADU construction.

The proposed activities support economic security, opportunity, and housing choice for low- and moderate-income residents and improve infrastructure in low- and moderate-income neighborhoods. Housing preservation and anti-displacement activities will help stabilize existing housing stock and neighborhood fabric and create opportunities for building generational wealth. To maintain and increase racial and economic diversity, affordable housing production will be prioritized in high-income neighborhoods and transit-rich areas.

The City's Analysis of Impediments to Fair Housing (AI) was completed in 2014. That report noted several impediments such as difficulties for people with disabilities accessing affordable housing, housing discrimination, growing discrepancy between incomes and housing costs, and the need for strategies to meet the needs of the growing limited English-speaking population. Proposed action steps included:

- Proposed Action: Implementation of Putting Assets to Work to work with developers to create affordable housing on City-owned land
 - Identified Impediment: Provision of affordable rental opportunities
- Proposed Action: ADU financing and technical assistance
 - Identified Impediment: Continue to collect and administer resources via its Affordable Housing Fund
- Proposed Action: Acquiring at-risk housing and investing in shared equity models to preserve affordable housing
 - Identified Impediment: Acquiring and maintaining the affordable of developments for which affordability requirements are set to expire
- Proposed Action: One-Stop Shop for home rehab programs which include addressing accessibility barriers. All programming will be publicized through partners that specifically serve those with disabilities.
 - AI Recommendation: Prioritizing the removal of accessibility barriers in the housing rehabilitation program
- Proposed Action: Housing Provider Mitigation Fund to address perceived risk of renting to voucher holders
 - AI Recommendation: Aggressive recruitment of landlords who rent units in higher-opportunity neighborhoods

The City participated in the Cook County wide Assessment of Fair Housing which identified similar impediments for the County and Evanston-Skokie submarket.

The City of Evanston will meet and seek to exceed our fair housing obligations by using a racial equity lens and collecting and analyzing more granular data. The City has used The Redress

Movement's Policy Toolbox as part of its development of its Strategic Housing Plan, the work of which has helped inform this PRO Housing application.

The City has a 25% Minority-Owned, Women-Owned, Disadvantaged-Owned, and Evanston-based business (M/W/D/EBEs) participation goal for all contracts of \$25,000 or more which would apply to any work where the City engages a third-party. Specific opportunities for M/W/D/EBE involvement include construction work on City-owned land and through the rehab program and professional services.

In order to track its progress on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing as well as the effectiveness of its efforts to advance racial equity through PRO Housing grant activities, the City will track the following data:

- Program spending (including leveraged funds) by census tract
- Housing production and preservation by census tract
- Race, ethnicity and other required data of program participants

Evanston will affirmatively market PRO Housing activities, including housing units funded by the grant, to community members that have historically been excluded or underrepresented, including residents of color, those with limited English proficiency, people with disabilities, and low- and moderate-income households.

The City will publicize new programs, initiatives, opportunities, and meetings via City of Evanston e-News, social media, community events and meetings, and recreational facilities and partnerships with Evanston's broad network of community organizations. Print and digital materials will be in both Spanish and English, and accommodations will be made for other needs upon request. When feasible, in recognition of people's time and contributions, stipends will be provided to community members for their participation.

v. WHAT ARE YOUR BUDGET AND TIMELINE PROPOSALS?

Budget

The activities described within this application will require a total of \$19,061,334 over the length of the grant period. The attached HUD 424-CBW form provides a detailed budget. The following table summarizes the funding sources:

Figure D.1: FY 24 PRO Housing Budget, by funding source

Funding Source		Percent Share
HUD (PRO Housing)	\$7,000,000	35.2%
Leveraged Funds	\$12,890,853	64.8%
City of Evanston	\$5,581,328	28.1%
Other HUD (CDBG)	\$4,309,525	21.7%
Other Federal (ARPA)	\$2,015,000	10.1%
Build America	\$ 985,000	5.0%
Total Cost	\$19,890,853	100%

Through data analysis, stakeholder conversations, community feedback, racial equity screening, and prioritization of high-impact activities, the City of Evanston coalesced around two strategies and five corresponding activities. The following table summarizes program expenses by strategy and activity.

Figure D.2: FY 24 PRO Housing Budget, by strategy and activity

	Strategy/Activity	Budget (millions)	%
Strategy 1	Fund Housing Production Programs	\$8.7	43.6
Activity 1.1	Putting Assets to Work Implementation (City-owned land)	\$5.7	28.7
Activity 1.2	Accessory Dwelling Unit Financing and Technical Assistance	\$3.0	14.9
Strategy 2	Expand Preservation Efforts	\$11.2	56.4
Activity 2.1	One-Stop Shop for Home Rehabilitation Programs	\$4.9	24.5

Activity 2.2	Preservation of At-Risk Affordable Housing through Acquisition and Shared Equity Models	\$4.9	24.6
Activity 2.3	Housing Provider Mitigation Fund	\$1.4	7.2
	TOTAL	\$20.0	

The minimum funding amount that would allow the City to carry out its proposal is \$3.5 million. In terms of reduced impact, with a lower award the City would be able to produce only 120 units (down from 175) between City-owned land and new ADUs and preserve 120 units (down from 140) due to scaling back the One-Stop Home Rehab program and unit acquisition. If the City were awarded a grant between \$2 and \$3.5 million, we would have to reduce the scope of work to one of the strategies, or two to three of the five activities proposed.

Timeline

The City of Evanston data collection, planning, policy and program development and financing activities will take some time to set in motion. Outreach, communication and engagement activities will begin sooner and continue throughout the term of the award. The timeline for each proposed activity follows. Blue cells convey the development stage, green cells the implementation + impact phase and red cells show impact having ended.

Figure D.3: Timeline, annual, by activity

Activity	2025	2026	2027	2028	2029	2030
1.1 Putting Assets to Work	Implementation and Impact					
1.2 ADU Financing	Program Development		Implementation and Impact			
2.1 One-Stop Shop	Program Development		Implementation and Impact			
2.2 Acquisition of At-Risk Housing	Program Dev.	Implementation and Impact				
2.3 Housing Provider Mitigation Fund	Implementation and Impact					

**Exhibit E - Capacity
City of Evanston**

i. WHAT CAPACITY DO YOU AND YOUR PARTNER(S) HAVE? WHAT IS YOUR STAFFING PLAN?**Our Capacity**

The City of Evanston has the capacity necessary to fulfill the obligations of this grant including implementation of the proposed activities, quality assurance and oversight, and reporting measures – creating accountable benchmarks for achieving predicted outcomes.

Lead Entity

The City's Community Development Department, the lead entity responsible for this grant including its implementation and quality assurance, engaged Jolene Saul, Principal of Revolve Community Development (Revolve), to assist in writing this application. Revolve had a number of meetings with City staff to discuss goals and priorities for the application, obtain updated program data, and review requirements. Revolve also attended the public hearing and reviewed all submitted public comment. Authors from the City of Evanston include Uri Pachter, Senior Housing Planner, Cade Sterling, Planner and Historic Preservation Specialist, Marion Johnson, Housing and Grants Supervisor, Elizabeth Williams, Planning & Zoning Manager and Interim Housing and Grants Manager, and Sarah Flax, Community Development Director. The department is responsible for the administration and execution of all building, inspection, planning, zoning, and historic preservation activities. The department also manages affordable housing initiatives and other related programs funded with federal and local grants focused on low- and moderate-income residents. The department comprises three divisions: Housing and Grants, Planning and Zoning, and Building and Inspection Services.

Experience and Quality Assurance

The Community Development Department has significant experience managing grants of substantial size and implementing similar activities. The Planning and Zoning Division oversees and manages consultant and staff-led planning and engagement initiatives including: the development and adoption of Envision Evanston 2045, the new Comprehensive Plan and Zoning Code, scheduled to be approved in 2025; a Preservation Plan and associated survey and documentation efforts in 2023; and past downtown, neighborhood, and corridor plans developed since 2008.

The Housing and Grants Division provides oversight, planning, administration, and reporting of the City's Community Development Block Grant, HOME Investment Partnership, and Emergency Solutions Grant funds through annual performance and evaluation reports. The department has successfully managed \$43 million of ARPA funds, \$1.3 million of HOME-ARP, \$3 million of CARES Act funds (CDBG and ESG), and \$18.2 million of Neighborhood Stabilization 2 Program funding. The Housing and Community Development Committee and the Social Services Committee provide oversight to the division as well.

The City will manage the grant funding and assure timely and quality completion of the proposed activities. Upon award, the City will initiate an implementation and quality assurance plan, in addition to the PRO Housing Action Plan. This plan will create accountable benchmarks for each activity's implementation and establish lead and support roles within the Community Development Department as well as other City departments. Stakeholder engagement during the creation of the plan will simultaneously add capacity and critical review of product delivery to assure it meets residents’ needs while fulfilling the obligations of the grant.

Legal Authority and Leadership Capacity

The City of Evanston is a Council Manager form of government with a City Manager and City Council comprising nine elected council members and a mayor. Pursuant to Article VII of the Illinois Constitution of 1970, the City of Evanston is a home-rule municipality granting us broad authority to implement all proposed activities, stating “powers and functions of home rule units shall be construed liberally”¹⁸ and was written “with intention that home rule units be given the broadest powers possible.”¹⁹ The Illinois Municipal Code also grants municipalities the power to establish zoning regulations and to promulgate rules and regulations that protect the public health, safety, and welfare of its residents.²⁰

The City’s leadership is committed to advancing affordable housing and progressive housing forward policies through City Council’s Strategic Goals, chairing and participation in related committees and regularly engaging their constituents on neighborhood implementation.

Staffing Plan

As seen in the table below, the Housing and Grants Division will lead Strategy 1: Fund Preservation and Anti-Displacement and the Planning and Zoning Division will lead Strategy 2: Streamlined Processes and Data-Driven Strategies and Strategy 3: Proactive Partnerships and Stakeholder Engagement. Critical support will be provided by both divisions and other Community Development staff on each of the proposed activities.

Figure E.1: Staffing Lead, by strategy and activity

	Strategy/Activity	Lead
Strategy 1	Fund Production Programs	Housing/Grants
Activity 1.1	Putting Assets to Work Implementation (City-owned land)	Planning/Zoning

¹⁸ Constitution of the State of Illinois, Article VII, Section (6)a

¹⁹ Scandron v. City of Des Plaines, 153 Ill.2d 164

²⁰ Illinois Municipal Code, Division 13, 65 ILCS 5/11-13-1 et seq.

Activity 1.2	Accessory Dwelling Unit Financing and Technical Assistance	Housing/Grants
Strategy 2	Expand Preservation Efforts	Housing/Grants
Activity 2.1	One-Stop Shop for Home Rehabilitation Programs	Housing/Grants
Activity 2.2	Preservation of At-Risk Affordable Housing through Acquisition and Shared Equity Models	Planning/Zoning
Activity 2.3	Housing Provider Mitigation Fund	Housing/Grants

Support Staff

The City will work interdepartmentally to increase capacity, create efficiencies and accountability and ultimately expand our reach and impact. Full-time staff from the following departments and divisions will provide additional key support: Communications, Economic Development, Finance, Health and Human Services, Information Technology, Law, Parks and Recreation, Public Works, Sustainability, Transportation and Mobility, and Youth and Family Services.

Additional Staff

Given the above staffing, the City of Evanston still lacks the capacity to carry out the proposed activities. Two additional full-time staff are needed to develop and manage the many new and expanded programs proposed above, one in the Housing and Grants and one in the Planning and Zoning divisions.

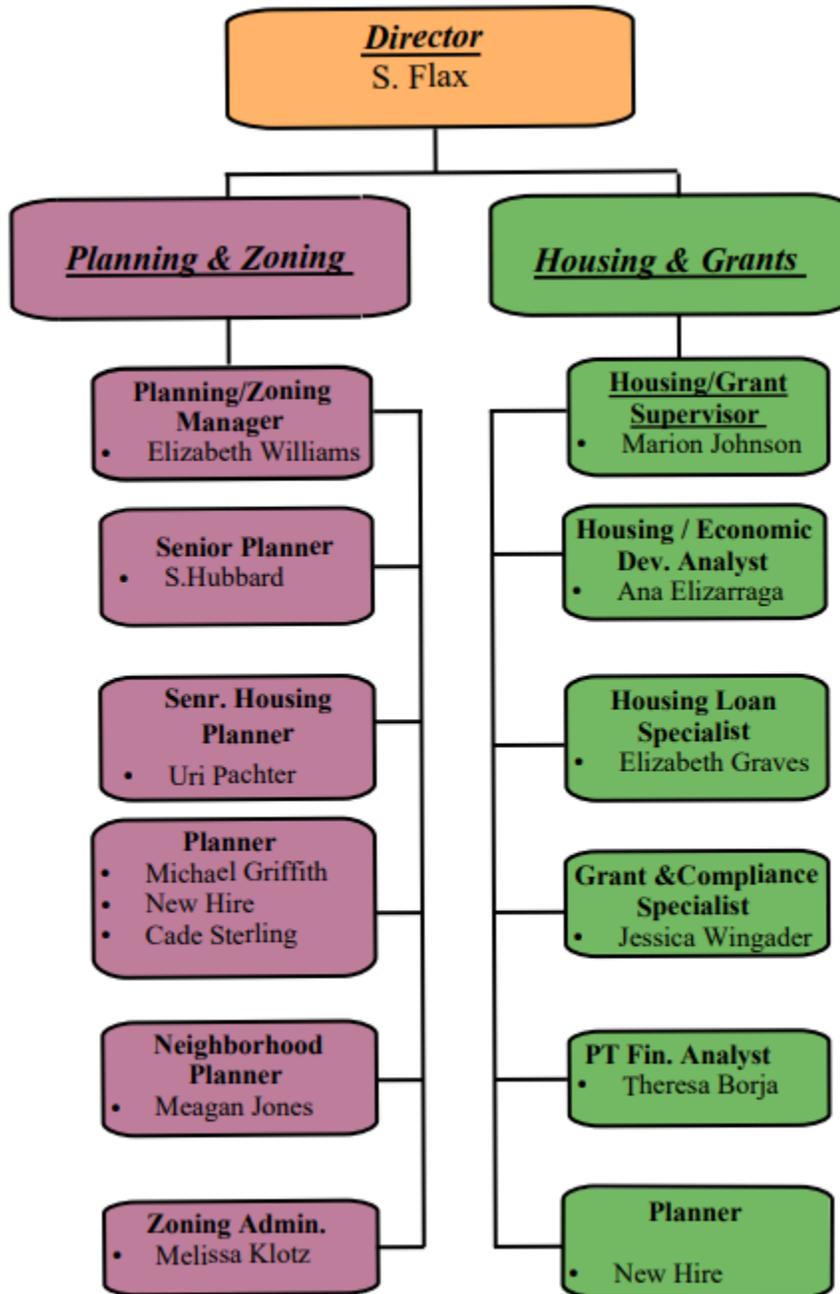
Community Partners

The City anticipates that several of the activities will be implemented by community partners, at least in part. Potential examples include expanding shared equity and ownership models, the housing provider mitigation fund, and the home rehab one-stop shop. The City will conduct requests for proposals as necessary to select these partners.

Key Personnel

An organizational chart of the Community Development Department highlighting key FY 24 PRO Housing personnel, including the Housing and Grants Division and the Planning and Zoning Division, follows:

Figure E.2: Organizational Chart of Community Development Department



**Exhibit F - Leverage
City of Evanston**

i. ARE YOU LEVERAGING OTHER FUNDING OR NON-FINANCIAL CONTRIBUTIONS?

Leverage

The City of Evanston is leveraging significant funds – \$13,745,025, or almost double of the City’s requested funds – to support the proposed activities outlined above. Funding sources, amounts, and activities are provided below. Leverage documentation will be submitted per the terms of the NOFO.

Figure F.1: Leverage Sources

Activity	Program - Source	Amount
1.1, 1.2, 2.1	Affordable Housing and Livable Communities - CDBG	\$2,700,000
1.1, 1.2, 2.1, 2.2	HOME	\$875,000
2.3	Affordable Housing Subsidy & Affordable Refugee Housing (PB Evanston) - ARPA	\$990,000
All	Staff Time - General Fund	\$331,328
All	Staff Time - HUD	\$734,525
All	Production + Preservation + staff time - Affordable Housing Fund	\$5,250,000
2.1	Green Homes Evanston - ARPA	\$700,000
1.1, 1.2	Comprehensive Plan/Zoning Code - ARPA	\$325,000
1.1	Build America - Putting Assets to Work	\$985,000
	Total	\$12,890,853

**Exhibit G - Long-term Effect
City of Evanston**

i. WHAT PERMANENT, LONG-TERM EFFECTS WILL YOUR PROPOSAL HAVE AND WHAT OUTCOMES DO YOU EXPECT?

Long-Term Effect

With the activities funded by the PRO Housing grant, the City of Evanston will create replicable models for community-informed project and partner selection for publicly-owned land, creating permanent affordability and opportunities for ownership, improving housing quality while addressing climate change, and increasing access to housing for low- and moderate-income households in higher-income areas. Grant funds will allow the City and its partners to develop its expertise in these areas and evaluate program outcomes to inform future implementation.

The City will continue to measure success based on three metrics: households retained, housing units produced, and housing units preserved. The City will collect data on income, race and ethnicity, disability, and language spoken at home to confirm that low- and moderate-income households are the primary recipients and course-correct to affirmatively market our activities.

Figure G.1: Anticipated Outcomes, by activity

Activity	Initial Benefit	Households Retained	Units Produced	Units Preserved	Post-Grant Impact
1.1 Putting Assets to Work Implementation	2028	-	150	-	All
Subtotal		-	150	-	
1.2 ADU Financing and Technical Assistance	2026		25	-	All
Subtotal		-	25	-	
2.1 One-Stop Shop	2025	50	-	50	All
Subtotal		50	-	50	
2.2 Acquisition of At-Risk Housing	2026	50	-	50	All
Subtotal		50	-	50	
2.3 Mitigation Fund	2025	50	-	-	All
Subtotal		50	0	50	

Total		150	175	100	
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Measures of Success

The above table outlines the City’s anticipated annual outcomes in each of the three metrics: households retained, housing units produced, and housing units preserved. Since the benefits of each activity will begin in various years (2024 - 2026), outcomes for each activity are calculated annually and in total over the course of the grant period. Through FY 24 PRO Housing grant funds and the City of Evanston’s leveraged funds, we project 225 households retained, 250 housing units produced, and 200 housing units preserved. Beyond the number of units produced and preserved and households retained, the City will see new affordable housing—from multifamily developments to ADUs—in higher-income and transit-rich neighborhoods where affordable housing has not traditionally existed. In lower-income areas of the City,

Expected Outcomes

The proposed activities are expected to result in increased housing production across Evanston, expanded housing choice via as-of-right new housing typologies, and affordable housing on opportunity sites in high-income neighborhoods. This will help to reverse historic trends of health and opportunity gaps and segregation, support Evanston’s many vibrant neighborhoods, schools and rich tapestry of business, art, and industry. Success sets an expectation that housing matters in Evanston. The way our City functions and for whom it functions matters. Design, arts and culture, preservation, economic development, affordable housing, and sustainability are not competing goals, they collectively build a lasting sense of place and community.

While Evanston has made significant progress to create a land use and zoning environment that reduces barriers to affordable housing, the PRO Housing grant will enable us to go a step further and achieve our housing goals once that new foundation is established. Evanston believes this approach can be a model for similarly-sized, built-out legacy cities, creating a strategic path toward more human-scaled, inclusive, and resilient communities across the country.

Replicability

Evanston expects to complete its new, City-wide comprehensive plan and zoning code in 2025 which will help facilitate increased housing production in a more efficient manner. Its proposed PRO Housing grant activities will provide examples for communities across the country of how to build on those improved land use and zoning regulations to address the growing need for affordable housing specifically. The City will build on and improve existing models—whether those initiated by the City or learned from other jurisdictions across the country—to carry out its PRO Housing grant activities. One of its priorities with PRO Housing implementation is to establish systems that are both replicable and adaptable as housing needs and funding environments change over time.